

March 27th, 2012

Subcommittee Ranking Member Rep. Peter Visclosky

"Good morning. Dr. Kelly, Ms. Hoffman, and Mr. McConnell thank you all for being here today.

"The U.S. energy sector faces myriad challenges that pose a persistent threat to our economy, national security, and environment. The cars and trucks of our citizens, the ships, planes, and tanks of our military rely heavily on petroleum fuels, much of which is imported from overseas. Power prices continue to increase, and our electricity supplies depend on energy sources that give off harmful emissions and on a congested and aging electric power grid.

"Gas prices are again rising, putting pressure on the wallet of every American. While there is no "magic bullet" available to the government to immediately drop the price of gasoline, on-going federal research in vehicle technologies is starting to yield dividends with the market introduction of automobiles utilizing technologies that will displace some portion of gasoline for power. While the adoption of these vehicles has not been as swift as projected, higher prices for gasoline are increasing the market demand for vehicles that utilize bio-fuels and battery storage technology. I hope to hear today what the Department is doing to advance the nation's knowledge in these areas and to increase the domestic manufacturing sector that utilize these technologies.

"Today we consider the budget request for applied R&D activities at the Department of Energy aimed at addressing these difficult challenges. These programs—Energy Efficiency and Renewable Energy, Fossil Energy, and the Office of Electricity Delivery and Energy Reliability—are all critical areas of our nation's energy portfolio.

"The budget request for Energy Efficiency and Renewable Energy represents a large increase, 30 percent, over the 2012 level. Dr. Kelly, in this budget setting I hope you have come prepared to discuss how this large increase could be used efficiently and effectively in pursuit of our energy independence. I am particularly interested in your justification for the large increase to the Advanced Manufacturing Office, formerly known as the Industrial Technologies program. I

believe strengthening American manufacturing and returning to making things in America is not only the best source of job creation and economic recovery, it is the only viable option. I am hoping that the Department has a sense of urgency in this area and can provide more detail on your plans.

"The request for Fossil Energy represents a large reduction of 21 percent to the program level from 2012. It is pretty clear that the increase in EERE came at the expense of the Fossil program. I understand and appreciate that the Administration's believes renewable energy represents the preferred path forward towards a more secure energy future. While I agree that renewable energy will, by necessity, be a large factor in the future, Mr. McConnell, I hope you can explain why this reduction for Fossil energy R&D is appropriate at this time. Given that fossil fuels meet around 83 percent of U.S. energy demand, I would like to understand what the Department is doing to deliver technologies that can provide cleaner, low-carbon electricity generation using domestic resources of coal and natural gas.

"The budget request for the third participant in this hearing, the Office of Electricity Delivery and Energy Reliability is approximately equal to 2012. Given the importance of the electricity grid, I would like to understand how this program will allow the nation to maximize existing resources and allow the expansion of clean energy generation through modernization of the nation's electricity transmission and distribution system.

"Thank you, Mr. Chairman for the time."

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